

Group Mach Acquisition Inc. announces acquisition of \$1.5 billion of properties in connection with Canderel-led consortium's \$5.7 billion acquisition of Cominar REIT

April 24, 2019

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Date announced: 10/24/2021

Value: See below

On Oct. 24, 2021, Cominar Real Estate Investment Trust (Cominar or the REIT) (TSX: CUF.UN) announced it has entered into an arrangement agreement for acquisition by Iris Acquisition II LP (the Purchaser). The Purchaser is an entity created by a consortium led by Canderel Real Estate Property Inc. (Canderel), a leading Québec real estate owner and operator, and includes FrontFour Capital Group LLC (FrontFour), Artis Real Estate Investment Trust (Artis), and partnerships managed by the Sandpiper Group (Sandpiper) (the Transaction). In addition, Koch Real Estate Investments, LLC (KREI) and Artis are providing preferred equity for the Transaction. The Transaction will be carried out by way of a court-approved plan of arrangement under the Canada Business Corporations Act (the Plan of Arrangement). In connection with the Transaction, Group Mach Acquisition Inc. (Mach) will acquire approximately \$1.5 billion of retail and office properties as part of the Plan of Arrangement.

Under the terms of the arrangement agreement, the Purchaser will acquire Cominar for consideration of \$11.75 in cash per unit (the Consideration). For Cominar's unitholders, this represents a 16.3 per cent premium to the 20-day volume-weighted average price per unit of Cominar for the period ending on Oct. 22, 2021, and a 63.2 per cent premium to the \$7.20 closing price of Units on the Toronto Stock Exchange (TSX) on Sept. 15, 2020, the last trading day prior to the announcement of the Strategic Review Process. The Consideration implies an equity value and enterprise value for Cominar of approximately \$2.2 billion and \$5.7 billion, respectively.

As part of the Plan of Arrangement, Mach will acquire, through its affiliate Mach Capital Inc. as guarantor of its obligations, certain of Cominar's retail and office properties for approximately \$1.5 billion. Blackstone will acquire Cominar's industrial portfolio (together with Mach, collectively, the "Asset Purchasers"). The proceeds of the acquisition of these assets from Cominar, to be carried out by way of separate agreements of purchase and sale between the Purchaser and each of the Asset Purchasers, will fund a portion of the Consideration. Canderel and the consortium intend to retain portions of Cominar's retail portfolio, as well as components of Cominar's office portfolio.

The Transaction is expected to close in the first quarter of 2022, subject to receipt of Cominar unitholder, court and required regulatory approvals as well as satisfaction of customary closing conditions.

BLG is acting for Mach with a team led by [Fred Pletcher](#) and [Neil Hazan](#), including [Philippe Tardif](#), [Julie Bogle](#), [Olivier Busque](#), [James Cantwell](#) and [Connor MacLeod](#) (Securities and Capital Markets); [Line Abecassis](#), [Catherine Guertin](#) and [Diane Leduc](#) (Real Estate); [Julie Belley-Perron](#) (Environmental); [Benjamin Gross](#), [Tu Anh Tran](#) and Christina Sciarretta (Financial Services - Secured Lending); [Joseph H. Takhmizdjian](#) and [Alessandro Cotugno](#) (Tax); [Subrata Bhattacharjee](#) and [Denes Rothschild](#) (Competition); [Tasy Bacolias](#), [Alex Wang](#), [Jordan Furfaro](#), [Geneviève Bergeron](#), [Max Jarvie](#), Matteo Grandillo, [Adam Ziri](#), [Linda Varjan](#) and [Stéphanie Giroux](#) (Corporate Commercial); [Danny J. Kaufer](#), [Chanel Sterie](#), [Rose Massicotte](#) and [Frederic Massé](#) (Labour & Employment); and [Samuel Robichon](#) (Insurance).

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